STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Arizona

THIRD PARTY LIABILITY

4.22(d)(1):

Method used in determining the provider's compliance with the billing requirements as specified in 42 CFR 433.139(b)(3)(ii)(A).

Providers are not required to bill liable third parties when services covered under the plan are furnished to an individual on whose behalf child support enforcement is being carried out by the State IV-D agency.

AHCCCS pays and chases all claims, regardless of submission time frames, for services furnished to AHCCCS members on whose behalf medical support enforcement is being carried out by the State IV-D agency.

4.22(d)(2):

Method used in determining cost effectiveness as specified in 42 CFR 143.139(f)(2).

A cost analysis was conducted to determine the cost of initiating and pursuing recoveries. The threshold was determined by first identifying the amount of work time each employee spends on the various activities for a typical case, to initiate and pursue recovery. Next, the salary for each employee was identified to calculate the employee cost for pursuing the recovery. The administrative cost for the filing of liens, and legal fees were also included in the calculation to determine this threshold. On July 30, 1991, the threshold of $250.00 was implemented on all cases generated from the Trauma Code Edit Report and was implemented on all cases originating from referral sources on August 30, 1991. The $250.00 cost threshold continues to be used.

Commercial Insurance: AHCCCS' TPL Contractor, on behalf of AHCCCS, conducts commercial insurance data matches with numerous insurance companies. A cost analysis of commercial insurance billings was conducted by AHCCCS' TPL Contractor which determined an effective cost threshold of $50.00 per claim/$10.00 co-pay per member. The TPL Contractor's analysis was based, in part, on such factors as: systems operation costs (preparation, tracking, posting, and updating of claims); staffing costs (systems and support); and paper costs (reports, forms and mailing).

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: Arizona

4.22(d)(3):

Method used for determining billing accumulation as specified in 42 CFR 433.139(f)(3).

The TPL Contractor conducts diagnosis and trauma code edits for codes 800 through 999, with the exception of code 994.6 and those codes specified in 4.22 (b)(4), for all fee-for-service claims. AHCCCS generates a monthly extract tape of paid claims identifying diagnosis and trauma codes. Claims for a specific member must total $250.00 or more in order for a case to be considered for potential recovery.

Claims are not accumulated on members from one report to another via the Trauma Code Edit report. When a case is opened either via the Trauma Code Edit report or through another referral source, the expenses are accumulated beginning with the date of injury to, whichever occurs first, the last date of treatment or the case is settled, and listed in chronological order by individual provider. This accumulation is released to the interested third party via a Medical Payments Chronology Letter. This Chronology Letter reflects the total AHCCCS paid and liable medical claims and AHCCCS contractor's claims which relate to the member's injuries.